
**Community & Economic Development &
Trade Committee**

SSB 5553

Brief Description: Promoting economic development through promoting innovation and the commercialization of technologies.

Sponsors: Senate Committee on Economic Development, Trade & Innovation (originally sponsored by Senators Kilmer, Delvin, Kastama, Shin, Hobbs, Marr, Tom, McAuliffe, Kohl-Welles and Pridemore).

Brief Summary of Substitute Bill

- Adds specific technology commercialization tasks to the Washington Technology Center's (WTC) existing responsibilities, contingent on funding.
- Authorizes the WTC to accept and expend gifts, grants, donations, sponsorships, or contributions from any public or private source.
- Creates an Investing in Innovation Account in the custody of the State Treasurer.
- Transfers responsibility for contracting with the WTC from the Department of Community, Trade and Economic Development to the University of Washington effective July 1, 2011.

Hearing Date: 3/26/09

Staff: Meg Van Schoorl (786-7105)

Background:

The Washington Technology Center (WTC) was established by the Legislature in 1983 as a collaborative effort between universities, private industry, and government. Its statutory mission is to perform and commercialize research statewide that benefits the state's intermediate and long-term economic vitality. The WTC is to conduct research that is primarily of interest to in-state companies or state economic development programs. The WTC is administered by a board

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of directors and supported through federal and state funds and private donations. Although the WTC is headquartered at the University of Washington (UW), Washington State University and other participating higher education institutions must provide affiliated staff, faculty, and facilities as required to support WTC operations.

The WTC must:

- perform or facilitate research that supports science and technology objectives, especially as they relate to state industries;
- provide leading edge collaborative research and technology transfer opportunities to state industries;
- provide substantial student training opportunities;
- emphasize and develop non-state support;
- establish a Small Business Innovation Research (SBIR) program to train and assist small businesses to win federal Phase I SBIR awards;
- provide a forum through its Northwest Energy Technology Collaborative for initiatives that promote renewable energy and energy efficiency sectors; and
- administer an "Investing in Innovation" grants program to make research and commercialization grant awards to qualifying universities, institutions, businesses, or individuals.

The Department of Community, Trade and Economic Development (DCTED) is required by statute to contract with the UW for the expenditure of state funds to operate the WTC. The DCTED must provide guidance to the WTC on these expenditures and on development of its strategic plan. The DCTED is responsible to the Legislature for the WTC's contractual performance. The DCTED must not withhold funds appropriated for the WTC if it complies with its contract. In 2007-09 the Legislature appropriated \$5.7 million in state general funds to the WTC through the DCTED.

Summary of Bill:

To the extent funds are appropriated, the WTC must itself provide, or contract to:

- help small businesses win federal technology innovation program awards;
- develop and disseminate a guide to the technology commercialization process;
- recommend how to integrate and provide a common access to state research institution databases of technologies and inventions;
- offer training to technical assistance providers on how to assist in commercialization;
- develop a guide, an interactive website, workshops, and networking events on access to financing for commercializing new technologies; and
- report to the DCTED annually on the impact of commercialization activities at the state's research institutions.

The WTC may accept gifts, grants, donations, sponsorships, or contributions from any public or private source and spend it for activities consistent with its duties and purpose.

An Investing in Innovation Account (Account) is created in the custody of the State Treasurer. Funds can be directed to the Account from federal, state, and private sources. Expenditures from the Account may be authorized only by the WTC's executive director or designee, and only for the purposes required in the statute, for the "Investing in Innovation" grants program, and other

innovation and commercialization purposes. Expenditures are subject to allotment but not appropriation.

Effective July 1, 2011, the UW will administer the contract with the WTC and be responsible for its contractual performance. Until then, the DCTED will retain contractual responsibilities.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed, except for section 3 which transfers contractual responsibility from the DCTED to the University of Washington, and takes effect July 1, 2011.